

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 7126**

**BILL NUMBER:** HB 1419

**NOTE PREPARED:** Mar 23, 2009

**BILL AMENDED:** Mar 19, 2009

**SUBJECT:** Student discipline.

**FIRST AUTHOR:** Rep. Smith V

**FIRST SPONSOR:** Sen. Rogers

**BILL STATUS:** 2<sup>nd</sup> Reading - 2<sup>nd</sup> House

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill requires the governing body of a school corporation to develop an evidence-based plan for improving behavior and discipline in the school corporation, and a school within the school corporation to comply with the plan in developing the school's plan. It requires school corporation discipline rules to incorporate a graduated system of discipline, which includes actions that may be taken in lieu of suspension or expulsion.

The bill requires the Department of Education to develop a master evidence-based plan for improving student behavior and discipline upon which school corporations may base plans.

**Effective Date:** July 1, 2009.

**Explanation of State Expenditures:** (Revised) The Department of Education (DOE) could incur some additional expense in coordinating and consulting with the Division of Child Services, the Division of Mental Health and Addiction, parent organizations and state educational institutions in developing the master plan for improving student behavior and discipline. The plan has to be developed not later than June 1, 2010. The impact would be mainly a one time cost in developing the plan. The master plan must include the following guidelines:

1. Improve safe school planning and classroom management using positive behavioral supports, parental involvement, and other effective disciplinary tools.
2. Provide improved mental health services.
3. Review zero tolerance policies to ensure compliance with applicable laws and that students are not inappropriately referred to juvenile justice agencies.
4. Provide assistance to parents concerning access to family strengthening programs.

5. Improve communication, coordination, and collaboration among schools (including special education programs), parents, and juvenile justice agencies.
6. Improve methods and procedures for school suspensions and referrals to alternative schools.
7. Provide for the collection, review, and reporting on an annual basis of school behavioral and discipline problems, arrests, and referrals to the juvenile justice system disaggregated on the basis of race and ethnicity.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) existing staff and resources not currently being used to capacity; (2) existing staff and resources currently being used in another program; (3) authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) funds that, otherwise, would be reverted; or (5) new appropriations. DOE had 32 vacant positions worth \$321,344 as of January 5, 2008. Of the vacant positions, 13 had been vacant for more than two years. DOE, excluding tuition support, reverted about \$2.7 M to the state General Fund on June 30, 2008. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

#### **Explanation of State Revenues:**

**Explanation of Local Expenditures:** (Revised) The bill directs school corporations to work with parents to develop an evidence-based school plan for improving student behavior and discipline based on the model designed by DOE. The plan has to be submitted to DOE not later than July 1, 2011. The bill also directs school corporations to incorporate a graduated system of discipline in their disciplinary code, to include actions that may be taken in lieu of suspension or expulsion. Additionally, each school must report the following information to DOE annually: school behavioral and discipline problems, arrests, and referrals to the juvenile justice system disaggregated on the basis of race and ethnicity.

School corporations could expend additional resources in developing the evidence-based school plan, and in adopting a graduated system of discipline. The impact would depend on if the school currently has a graduated system of discipline in place and the cost of additional disciplines that might need to be added. Schools would also incur additional costs in compiling the requisite data annually to be forwarded to DOE.

#### **Explanation of Local Revenues:**

**State Agencies Affected:** Department of Education.

**Local Agencies Affected:** School Corporations, Local Schools.

#### **Information Sources:**

**Fiscal Analyst:** Chuck Mayfield, 317-232-4825.